

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Inbound Competitive Multi-Service Agreements with  
Foreign Postal Operators  
Interconnect Remuneration Agreement – United States  
Postal Service and Specified Postal Operators (MC2010-34)  
Negotiated Service Agreement

Docket No. CP2022-36

PUBLIC REPRESENTATIVE COMMENTS ON POSTAL SERVICE NOTICE OF FILING  
FUNCTIONALLY EQUIVALENT INBOUND COMPETITIVE MULTI-SERVICE  
AGREEMENT WITH FOREIGN POSTAL OPERATOR – FY22-2

(December 21, 2021)

The Public Representative hereby provides comments pursuant to a Commission Notice initiating this docket.<sup>1</sup> In that Notice, the Commission invited comments from interested persons, including the undersigned Public Representative, on a Postal Service's notice to the Commission that it entered into an Inbound Competitive Multi-Service Agreement with Foreign Postal Operators (FPO's), and that it seeks to include the FPO-USPS Agreement FY22-2 with Foreign Postal Operators 1 (MC2010-34) product.<sup>2</sup>

The Postal Service's Notice concerns the inbound portions of the competitive multi-product agreement entered into between the Postal Service and a FPO. Notice at 1. The Postal Service seeks to include the FPO-USPS Agreement FY 22-2 within the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 (MC2010-34) product. *Id.* The Postal Service contends that the FPO-USPS Agreement FY22-2 "is functionally equivalent to the baseline agreement filed in Docket No.

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<sup>1</sup> Notice and Order Concerning Postal Service Filing of Inbound Competitive Multi-Service Agreement with Foreign Postal Operator FY22-2, December 14, 2021. (Notice).

<sup>2</sup> Notice of the United States Postal Service of Filing Functionally Equivalent Inbound Competitive Multi-Service Agreement with Foreign Postal Operator FY22-2, December 13, 2021. (PS Notice).

MC2010-34.” *Id.* at 3. The Postal Service filed supporting financial documentation, application for non-public treatment (Attachment 1), the FPO-USPS Agreement FY22-2 (Attachment 2), a copy of Governor’s Decision No. 19-1 (Attachment 3), a certified statement required by 39 CFR 3035.105(c)(2) (Attachment 4). The Postal Service intends for the FPO-USPS Agreement FY22-2 to become effective January 1, 2022. *Id.* at 5-6.

To clarify details in the Postal Service’s notice and workpapers, the Commission issued CHIR No. 1.<sup>3</sup> Responses are due December 27, 2021 and have not yet been filed by the Postal Service.

## COMMENTS

The Public Representative has reviewed the Postal Service’s Notice, the FPO-USPS Agreement FY22-2 and the supporting financial model filed under seal that accompanied the PS Notice. Based upon that review, the Public Representative concludes that the FPO-USPS Agreement FY22-2 is functionally equivalent to the CP2010-95 Agreement, the designated baseline agreement for functional equivalency analyses of the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 product, and should therefore be added to the existing Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 product.

Pursuant to 39 U.S.C. § 3633(a), the Postal Service’s competitive prices must not result in the subsidization of competitive products by market dominant products; must ensure that each competitive product covers its attributable costs; and, must ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

The Public Representative finds that the proposed agreement meets the requirements of 39 U.S.C. § 3633(a). Although the Public Representative is unable to review the Postal Service’s CHIR No. 1 responses, the available information is adequate to make a recommendation regarding the likelihood that the requirements of §

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<sup>3</sup> Chairman’s Information Request No. 1, December 20, 2021.

3633(a) requirements will be met. The workpapers, as presented, demonstrate that the FPO-USPS Agreement FY22-2 should cover costs and thereby meet § 3633(a) requirements. In addition, while the response to CHIR No. 1 is necessary to provide clarification regarding the inclusion of negotiated ECOMPRO rates within the bilateral agreement, based on the information available, the Public Representative finds the cost coverage to be satisfactory.

The Public Representative, after reviewing all of the materials the Postal Service submitted under seal in this matter, recommends that the Commission approve FPO-USPS Agreement FY22-2 as a functionally equivalent agreement within the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 product.

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